

INFORMATIONAL HEARING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)	
)	
Application for Certification)	Docket No.
for the Salton Sea Unit 6)	02-AFC-2
Geothermal Project)	
_____)	

CALIPATRIA HIGH SCHOOL
501 WEST MAIN STREET
CALIPATRIA, CALIFORNIA

TUESDAY, NOVEMBER 19, 2002

3:05 p.m.

Reported by:
James A. Ramos
Contract No. 170-01-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

William J. Keese, Presiding Member

Robert Pernell, Associate Member

HEARING OFFICER, ADVISORS

Garrett Shean, Hearing Officer

Scott Tomashefsky, Advisor

E.V. (Al) Garcia, Advisor

STAFF PRESENT

Paul A. Kramer, Staff Counsel

Robert Worl, Project Manager

PUBLIC ADVISER

Grace Bos

APPLICANT

Michael J. Carroll, Attorney
Latham and Watkins

Vincent J. Signorotti, Director, Real Estate
Assets
CalENERGY Operating Corporation

Jonathan M. Weisgall, Vice President
Bernard Raemy, Project Development Manager
CalENERGY
CE Obsidian Energy, LLC
MidAmerican Energy Holdings Company

Mark Reinders, Communications Coordinator
MidAmerican Energy Company

INTERVENORS

Marc D. Joseph, Attorney
Tanya A. Gulesserian, Attorney
Adams, Broadwell, Joseph and Cardozo
California Unions for Reliable Energy

ALSO PRESENT

Larry Grogan, Mayor
City of El Centro

Mike D. Jaramillo, Energy Marketing Supervisor
Imperial Irrigation District

Michele L. Ochs, Associate Engineering Supervisor
California Environmental Protection Agency
California Regional Water Quality Control Board

James C. Hanks, Superintendent
Calipatria Unified School District

Frank Popejoy
El Centro Chamber of Commerce

Nicole Nicholes-Gilles, Executive Director
Brawley Chamber of Commerce

Greg Smith, President
Tim Kelley, Executive Director
Brawley Economic Development Commission

Mike Evans
Coral Power

Gary Wyatt, Supervisor District 4
Imperial County

Dilda McFadden, Vice President
NAACP/Community Base Organization

Sylvia Polizzo
U.S. Fish and Wildlife Service

Harry Dillon
Imperial County Air Pollution Control District

Michael Woods
Department of Oil and Gas and Geothermal Resources

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P R O C E E D I N G S

3:05 p.m.

PRESIDING MEMBER KEESE: This is the afternoon segment of the informational hearing conducted by a Committee of the California Energy Commission on the Salton Sea Geothermal Project. The Energy Commission has assigned a Committee of two Commissioners to conduct these proceedings. Before we begin, I'd like to introduce the Committee and others to you.

I'm Bill Keese, chairing this Committee. Commissioner Robert Pernell, second to my left, --

COMMISSIONER PERNELL: Good afternoon.

PRESIDING MEMBER KEESE: -- is also on this Committee and will be participating as we go. On my right is Scott Tomashefsky, my Advisor on this case; and on the far left is Al Garcia, Commissioner Pernell's Advisor on this case.

Our Hearing Officer who will conduct most of this proceeding is Garret Shean. Another individual to pay very close attention to is Mr. James Ramos here, our court reporter. These microphones are recording microphones. This is an amplifying one. You need to be on both. Both of them are there at the podium for members of the

1 public that come up. We will move this one
2 around, as appropriate, and we have one more
3 amplifying microphone over there.

4 Before we get formally started now, I
5 would like to ask the Mayor to come forward, Mr.
6 Larry Grogan, for a few comments.

7 MAYOR GROGAN: Thank you, Mr. Chairman,
8 members of the Commission. My name is Larry
9 Grogan, and I serve as the Mayor of El Centro. My
10 first trip to Imperial Valley was in 1975 to
11 participate in the development of the geothermal
12 element to the Imperial County's general plan.

13 Through that period of time, we
14 participated as San Diego Gas and Electric through
15 the development of the geothermal element
16 following by the policies and procedures and
17 guidelines that have permitted all the power
18 plants in Imperial County since then.

19 I also participated with the exploration
20 of the Salton Sea, bringing in barges from
21 Houston. We drilled on the Salton Sea,
22 temperature gradient holes, 1982 and 85. Also
23 served as one of the managers as serving --
24 working for Kennicott of the Salton Sea scientific
25 deep hole project.

1 In relations to the state, I obtained a
2 prospecting permit, as well as a geothermal lease
3 for the Webster Wildlife Unit and conducted water
4 studies, environmental studies both on the puff
5 fish and the Yuma claporails for approximately
6 seven years, from about -- I think it was about
7 '82 to about '89 that we ran either monthly or
8 semi-month -- or bimonthly studies.

9 I have no idea where they are, but
10 copies of all that rest with the Fish and Game,
11 and the impacts of drilling adjacent to nesting
12 claporails also are of record in those studies.

13 As I look around, I don't see anyone I
14 started with, nor any of the "pioneers" or all the
15 people that participated in the early development
16 of geothermal in Imperial County.

17 It's kind of sad that they're not here
18 to see the power plant of this size, because it
19 was the days of the excitement where you were
20 drilling; you had no idea, basically, what you
21 were going to either hit or not hit; whether a
22 well would be a dry hole, or something that would
23 be deemed commercial.

24 Also, all the experiments that went on
25 to handling the Salton Sea brine. You know,

1 it's -- for those who have never met B.C. McCabe,
2 and they refer to him as the godfather or
3 grandfather of geothermal energy in California, he
4 is well deserved of that title. Obviously he has
5 passed on.

6 But the days when the experimental
7 facility out at the site, they would start every
8 Monday with a new experiment. And it would
9 probably last for about ten minutes after they got
10 it all hooked up, before the pipes would plug and
11 the wells would either not operate properly or
12 some of the equipment would fail.

13 But this went on for almost two years,
14 in the development of the geothermal resource at
15 the Salton Sea. Now the energy has been proven,
16 the technology has been proven, and unfortunately
17 because of the permitting requirements of anything
18 over 50 megawatts, I cannot think of a single
19 impediment to the development of geothermal within
20 Imperial County as to that criteria.

21 The Imperial County established the
22 geothermal element. They established all the
23 policies and procedures and their requirements.
24 And in the ten years, 20 years that geothermal
25 development has occurred in this Valley, we have

1 not had the problems that obviously everyone tries
2 to avoid when they are going through the
3 permitting process.

4 I can't help but wonder, as in 1985 when
5 we were trying to get additional permits or
6 additional power plants, that had we been able to
7 obtain either contracts or larger plants prior to
8 '85 and the SO4s, that we may not have had an
9 energy crisis within the State of California.

10 We have known that the energy at the
11 Salton Sea is several thousand megawatts and it
12 has always been lack of a market, and lack of
13 people wanting to go through the Energy
14 Commission, and keeping them at 49 megawatts.

15 In closing, I can't stress enough that
16 this 180 megawatt plant is so vastly needed, not
17 only by the state, but by the County. I mean,
18 here we are talking about things that are air
19 pollution, and they allow power plants to be built
20 two miles below the border and they are trying to
21 convince us that the air pollution from these
22 unregulated and certainly uncontrolled permit or
23 power plant, that the air pollution will not come
24 two miles to the north.

25 You know, it is ironic that we're

1 sitting here and having to go through this permit
2 process. We are one of probably the best and
3 cleanest energies within the state, and yet we
4 allow, the Energy Commission allows it, and
5 certainly the State Lands Commission allowed those
6 power plants to be built down there with gas
7 served through Imperial County.

8 All I can urge is that you adopt the
9 findings here and issue the permit as soon as
10 possible because we certainly need it in Imperial
11 County.

12 Thank you. If there's any questions,
13 I'll be glad to answer them.

14 PRESIDING MEMBER KEESE: No particular
15 questions. I will say that the Energy Commission
16 does not do siting of compliance in Mexico, and --

17 MAYOR GROGAN: I understand, and that's
18 exactly what I'm talking about, is that here we
19 are today, for 180 megawatts, and we've got over
20 almost 2000 megawatts, or whatever it is, down,
21 1600 megawatts, south of the border of which
22 Bechtel and Shell through EnerGen are allowing two
23 of their four units with no air pollution controls
24 whatsoever, and this is what we face.

25 So when the Energy Commission does look

1 at the siting of those power lines though, I'd
2 like to have those taken into consideration.

3 PRESIDING MEMBER KEESE: Thank you. I
4 will assure you that the State of California is
5 very interested in the issue you have brought up
6 and --

7 MAYOR GROGAN: Thank you.

8 PRESIDING MEMBER KEESE: -- very
9 concerned.

10 MAYOR GROGAN: Any other questions?
11 Okay.

12 PRESIDING MEMBER KEESE: Thank you.
13 Also, in no particular order, except that the
14 Supervisor said that it is his City, Supervisor
15 Gary Wyatt.

16 SUPERVISOR WYATT: Good afternoon.

17 COMMISSIONER PERNELL: Good afternoon.

18 SUPERVISOR WYATT: Thank you for coming
19 to our wonderful Valley. I would like to add
20 greetings from my board of supervisors which we
21 just barely finished sessions today. One of those
22 issues -- by the way, let me introduce myself,
23 Gary Wyatt, District 4 Supervisor, and this entire
24 area is within the area of my district, including
25 two-thirds of the Salton Sea that rests in

1 Imperial County is all within District 4.

2 So this is an issue that is of vital
3 concern to me, as well as many other individuals
4 that are here and those who could not be here
5 today.

6 But one of the issues we dealt with in
7 our board of supervisors meeting today had to do
8 with the issue that Mr. Grogan was just talking
9 about today, and that is with the gas pipeline
10 that goes to Mexico that received a presidential
11 permit over our objections; and then also the
12 building of the power plants which we know will
13 impact us in our air basin here in Imperial
14 County.

15 But we have been unsuccessful in all the
16 efforts that we have expended to deal with that.
17 And we understand that you are not involved with
18 the siting of that and what-have-you. But those
19 are issues that are of great concern to us.

20 I'm here today to share my thoughts, my
21 own personal thoughts as a supervisor, not
22 speaking as the board of supervisors, and
23 certainly taking in no way any official position
24 for the board of supervisors.

25 As you well know, all of the current

1 geothermal plants that operate here, they are less
2 than 50 megawatts, and therefore come under County
3 siting and County dealings with our planning
4 department and so forth.

5 But I echo Assemblyman Kelley's comments
6 on the project that is before us, and I might
7 comment that I consider Dave Kelley to be one of
8 the greatest natural resources this Valley has had
9 for many many years, and a great resource.

10 Unfortunately, he's not as renewable as
11 we would like him to be. We would like him to be
12 renewable for another 15, 20 years; it would be
13 wonderful. But, unfortunately the rest of the
14 voters in the State of California chose to change
15 the rules.

16 The state and local strategy is for the
17 need for clean and renewable energy as Assemblyman
18 Kelley spoke about. We need energy resources that
19 don't depend on a source of fuel that can be at
20 great risk.

21 As we all saw in California, and we are
22 still suffering from the effects of the natural
23 gas problems that occurred and in generating the
24 power for California, we're still paying the price
25 for those particular issues.

1 We need energy resources that don't
2 create environmental issues for us that will
3 impact the possibility in the future of our
4 development, as an area, and our way of life as it
5 were.

6 Now, if this project meets the
7 standards, and I believe it will, if it receives
8 your approval, and I hope it does, then if it does
9 not expose problems that cannot be mitigated, and
10 I don't believe it will, this Valley will realize
11 great potential, great gains in several critical
12 areas. And I'd like to speak about a couple of
13 those at this time.

14 Our unemployment, as Assemblyman Kelley
15 spoke about, is historically the highest in the
16 State of California, hovering between twenty to
17 twenty-five percent and above.

18 We need the jobs in this particular
19 area. And not only these jobs, but the jobs that
20 these jobs will also generate, as dollars roll
21 over and over in the community. This facility
22 will provide 400 to 500 construction jobs. It
23 will impact local suppliers. Local merchants will
24 benefit from this; and we will receive somewhere
25 between 65 and 70 permanent jobs.

1 Positive impacts will be felt by local
2 agencies, government agencies, and organizations
3 in the community. The County, itself, will have
4 significant tax gains from the property taxes.
5 Local schools will benefit as well, and that's a
6 tremendous thing. As you saw coming in, benefits,
7 or the school is being rebuilt, and there is a
8 great need in the north end of this County for the
9 benefits that this could help to bring.

10 Valley organizations, club and non-
11 profits, will see continued and enhanced support
12 from this company that has become a very important
13 part of our community. This County is being
14 inundated, and it's being engulfed and swallowed
15 up by efforts that seem to seek to reduce our
16 ability and the opportunities to utilize and
17 develop our Valley and our natural resources in a
18 way that will benefit us the best.

19 Our water is at great risk, and that's a
20 huge issue in the State of California these days.
21 Our air quality is a growing concern with what
22 Mayor Grogan spoke about, the power plants that
23 are being built south of the border, and other
24 issues dealing with PM10 and so forth.

25 We also -- public lands, which I refer

1 to as an oxymoron, but the public lands are fast
2 becoming anything but public, especially here in
3 our County. We're dealing with those issues. We
4 passed a resolution dealing with that this very
5 day in the board of supervisors meeting.

6 This plant represents to us a great deal
7 of benefits in our community, and we hope that you
8 will consider that greatly when you consider all
9 of the things you must in order to grant your
10 approval for this.

11 But this facility will allow us to
12 develop a proven and available natural resource, a
13 natural resource that is very much unique to us
14 here in the Valley. As developers of this in the
15 past years, we feel like we have done a very
16 excellent job in managing and developing these
17 resources.

18 I hope that this is the very first plant
19 of this magnitude and perhaps even larger that you
20 will have come before you and hopefully receive
21 your approval. As I believe this will not only
22 benefit greatly the local area, the local
23 community, but will also help to meet the
24 standards that the state is seeking to meet, as
25 well as do it in the best way possible, clean and

1 renewable. Thank you.

2 COMMISSIONER PERNELL: Thank you.

3 PRESIDING MEMBER KEESE: Thank you very
4 much. We're pleased to be here, and we're pleased
5 you gave us such nice weather today.

6 (Laughter.)

7 PRESIDING MEMBER KEESE: On July 29th,
8 2002, CE Obsidian Energy filed an application for
9 certification to construct and operate a
10 geothermal steam turbine electric generating
11 facility. The project is proposed for an 80-acre
12 parcel, located six miles northwest of Calipatria
13 within the unincorporated area of Imperial County,
14 California.

15 The new geothermal power facility would
16 generate approximately 185 megawatts. The
17 purposes of today's hearing are: number one, to
18 provide information about the proposed power
19 plant; number two, to describe the Commission's
20 licensing process in reviewing the application;
21 and number three, to receive questions and
22 comments from the public.

23 At the conclusion of the informational
24 hearing, we will conduct a legally required
25 hearing regarding the availability of commercial

1 quantities of geothermal resources to power the
2 project for its useful life. That is set for 5:00
3 or whenever we're done with this part of the
4 hearing.

5 At this time, I'd like the parties to
6 introduce themselves and their representatives.
7 On behalf of the applicant.

8 Ms. Harvey, who is going to --

9 MR. CARROLL: Mike Carroll, Latham and
10 Watkins, on behalf of the applicants. I have with
11 me my colleague, Ken McCormick, and there are a
12 number of members of the applicant here. Would
13 you like them each to introduce themselves?

14 PRESIDING MEMBER KEESE: If they'd like
15 to be introduced for the record, or if they are
16 going to participate later they can introduce
17 themselves at that time, as you wish.

18 MR. CARROLL: We'll have some of the
19 principal participants come up and introduce
20 themselves now.

21 PRESIDING MEMBER KEESE: Okay.

22 MR. RAEMY: Good afternoon. My name is
23 Bernard Raemy. I'm the Business Development
24 Manager for the Salton Sea Project with Obsidian
25 Energy LLC. With me today will be Jon Weisgall.

1 MR. WEISGALL: Good afternoon. Jonathan
2 Weisgall; I'm Vice President for legislative and
3 regulatory affairs for CalENERGY and MidAmerican
4 Energy Holdings Company, and I'll be addressing
5 you later this afternoon.

6 PRESIDING MEMBER KEESE: Thank you, Mr.
7 Weisgall.

8 MR. RAEMY: Vince Signorotti will be
9 here, also. He is our land manager and public
10 relations manager.

11 Jeff Hanson.

12 MR. HANSON: My name is Jeff Hanson; I'm
13 regulatory and permitting manager, MidAmerican
14 Energy Holdings Company.

15 MR. RAEMY: That concludes the
16 introduction of Obsidian Energy team.

17 PRESIDING MEMBER KEESE: Thank you. On
18 behalf of staff, Mr. Worl.

19 MR. WORL: Good afternoon. My name is
20 Robert Worl, and I'm the Project Manager for the
21 Energy Commission Siting Division. And we have
22 Paul Kramer, our attorney, and Grace Bos is the
23 Public Adviser, who will be speaking later. And
24 we have a great number of staff here, as well.
25 Natasha Nelson, biology; --

1 COMMISSIONER PERNELL: Could we just ask
2 them to stand, so everybody knows who the
3 Commission Staff is.

4 MR. WORL: Yeah, CEC Staff, please stand
5 up. Natasha Nelson, biology; Sudath Arichehige
6 with transmission system. Terry O'Brien is the
7 division manager. Kevin Kennedy is my supervisor.
8 Roger Johnson is in charge of siting, the siting
9 office manager. Mike Krolak is with water
10 resources. And Steve Baker is in engineering.

11 COMMISSIONER PERNELL: Thank you.

12 PRESIDING MEMBER KEESE: Thank you.
13 Current intervenors, either way.

14 MR. JOSEPH: Thank you, Commissioner
15 Keese, Commissioner Pernell. My name is Marc
16 Joseph. With me is Tanya Gulesserian. We
17 represent the California Unions for Reliable
18 Energy, an intervenor in the case.

19 PRESIDING MEMBER KEESE: Thank you.
20 Agencies. Mr. Mike Jaramillo is here. Would you
21 just identify yourself for the record? Just speak
22 into the microphone for a moment for our record,
23 please.

24 MR. JARAMILLO: You want me to identify
25 myself?

1 PRESIDING MEMBER KEESE: Yes.

2 MR. JARAMILLO: Mike Jaramillo, Imperial
3 Irrigation District, electric services.

4 PRESIDING MEMBER KEESE: Thank you. Are
5 there any other agencies represented in this
6 proceeding? Come forward at this time.

7 MS. OCHS: Michele Ochs, Regional Water
8 Quality Control Board, Region 7.

9 COMMISSIONER PERNELL: Welcome.

10 MS. POLIZZO: Sylvia Polizzo (phonetic)
11 with the U.S. Fish and Wildlife Service.

12 COMMISSIONER PERNELL: Welcome.

13 MR. DILLON: Harry Dillon (phonetic),
14 from the Imperial County Air Pollution Control
15 District.

16 COMMISSIONER PERNELL: Welcome.

17 PRESIDING MEMBER KEESE: And I know -- I
18 know we also have Mr. Hanks of the Calipatria
19 Unified School District.

20 MR. HANKS: I'm Jim Hanks,
21 Superintendent of the Calipatria Unified School
22 District.

23 PRESIDING MEMBER KEESE: Thank you. Is
24 that the end of the agencies? Thank you.

25 I will introduce, at this moment, Grace

1 Bos. Grace is up here, is our Public Adviser.
2 Grace is here to advise any members of the public
3 who wish to participate in this process, and that
4 will be explained in just one moment. Because
5 first we are going to hear from Dilda McFadden,
6 who has asked to speak at this time because of
7 another engagement. Mr. McFadden.

8 MR. McFADDEN: Mr. Chairman, thank you
9 so very much for allowing me this opportunity.
10 And I, too, would like to extend my
11 congratulations on you and your Committee for
12 being here in Imperial County today.

13 Let me briefly say that I'm here wearing
14 two hats today. One, I'm representing the local
15 chapter of the NAACP, and a lot of people think
16 that we're about civil rights, but we're also
17 about economic development and opportunity.

18 I also wear a hat as the Chairman of
19 community-based organizations. I rise in support
20 of CalENERGY's permit, and hope that you would
21 consider findings and approving it. And let me
22 just say to you some things I think you need to
23 take into consideration, and some have already
24 been mentioned.

25 One, we have the lowest income per

1 capita in the State of California. This project
2 would significantly impact and help people that
3 are unemployed here in Imperial County.

4 Two, you've heard about our high
5 unemployment, we have one of the highest
6 unemployments in the State of California. This
7 project could help us greatly here in Imperial
8 County.

9 Three, the tax base, will help our tax
10 base. They have 11 sites already going; they pay
11 over \$11 million dollars a year to the annual tax
12 roles here in Imperial County. And we think that
13 this would continue to help us economically here
14 in Imperial County.

15 The greatest thing is that it's over 185
16 kilowatts. And we think that the kilowatts, and
17 that's going to be exciting for us on growth,
18 economic development and another alternative power
19 energy. And they have a major contract with
20 Imperial Irrigation District. And we think that's
21 going to benefit the residents here in Imperial
22 County on the cost of power. When we have this
23 type of energy coming, it's going to impact our
24 County and our community.

25 I also want to say that this, the siting

1 of it today, I had an opportunity to go on the
2 tour and look at a lot of the different sites they
3 have here in Imperial County. And looking at the
4 new proposed site, the Salton Sea 6. And we think
5 that this is going to have a major, major benefit.

6 So concluding my comments, I'd like to
7 say that this would be a win for the state, a win
8 for Imperial County, a win for our economy, and a
9 win/win situation.

10 In closing, I hope that you find that
11 this project is -- meets all your needs, and you
12 recommend approval for this project. I thank you
13 very much for allowing me an opportunity to make
14 these remarks to you.

15 Thank you.

16 PRESIDING MEMBER KEESE: Thank you very
17 much.

18 COMMISSIONER PERNELL: Thank you.

19 PRESIDING MEMBER KEESE: At this time, I
20 will hand the microphone over to our Hearing
21 Officer, Mr. Shean.

22 HEARING OFFICER SHEAN: Let me just say
23 initially, if we have representatives here from
24 the local high school, we'd like to thank you for
25 your hospitality in providing us this room, and

1 having things so well set up.

2 Also we'd like to thank the applicant
3 and some of its employees for providing us with
4 lunch today at noon, and all the safety gear and
5 everything else like that. We appreciate that.

6 What I want to do initially is,
7 basically see if there is anyone here who is a
8 member of the public and believes that he or she
9 or their organization needs specific information
10 with respect to either intervening or something
11 like that. Grace Bos, who is a representative of
12 the Commission's Public Adviser's office, is here
13 to help you.

14 If you would like to speak and have not
15 already done so, we would ask you to fill out a
16 blue card and provide it to her. She will then
17 bring it up front, and we will make sure that you
18 have an opportunity to speak a little bit later in
19 this afternoon's hearing.

20 Notice of this particular hearing was
21 mailed to various parties, to adjoining
22 landowners, interested governmental agencies, and
23 other individuals; and in addition to that, notice
24 was published in your local newspaper.

25 Today's hearing is the first of a series

1 of events which will be conducted either by the
2 Commission's Committee, composed of Chairman Keese
3 and Commissioner Pernell, or by the Commission's
4 Staff, over approximately the next ten months.

5 It is important for you to understand
6 that ultimately, the full five-member Commission
7 will receive from this two-member Committee a
8 recommendation in the form of a proposed decision,
9 which will review all of the environmental,
10 engineering, public health and safety aspects of
11 the proposed project. And will evaluate whether
12 or not it has an impact either on the environment
13 or the community. And if it does, how those
14 impacts can be mitigated. And any conditions of
15 certification that are necessary to insure that
16 the facility does not have an impact on the
17 community or the environment, and that it
18 otherwise complies with all applicable laws.

19 That proposed decision can be based,
20 under the law, only upon a record that is
21 established with information that is gathered
22 through a public hearing process. So you can be
23 assured, that for both the Commission's -- the
24 integrity of the Commission's siting process, as
25 well as your participation, that we will be back

1 here at some time in the future to hear from you,
2 as well as the applicant and the Commission's
3 Staff, and other interested agencies, your input
4 with respect to the proposed project and its
5 potential impacts.

6 What you should also know is that the
7 Commission operates under an ex parte rule, which
8 means that there are no communications with the
9 decisionmakers which are outside of a public
10 forum. So there are no, if you will, off-the-
11 record communications between the applicant, the
12 staff, which is operating independently of the
13 Committee, or any other agency, with the two
14 Committee Members, and ultimately the five
15 Commission Members.

16 In addition to the opportunities that
17 will be provided by the Committee for you to
18 address us, the Commission Staff will be
19 conducting a series of workshops on substantive
20 topics, ranging from air quality to zoology, that
21 will address the environmental and community
22 impacts potentially of the project.

23 We want to encourage you to participate
24 in those Commission Staff events, as well as the
25 subsequent Committee events.

1 If you wish, and it's convenient for
2 everyone who has a computer and internet access,
3 and it's shown on the bottom of the agenda, you
4 can subscribe to a list server, which will inform
5 you every time that Commission Staff or the
6 Commission Committee is going to conduct a public
7 meeting; or about the availability of documents
8 which will range from the initial major public
9 document, will be staff's preliminary assessment,
10 and ultimately the Committee's proposed decision,
11 which will be then reviewed by the full
12 Commission.

13 So, I would urge you, if you want to
14 track this proceeding, to go to the Energy
15 Commission's webpage, and then scroll through and
16 find the webpage in particular for the Salton Sea
17 Project and sign up on the list server.

18 What we're going to do is have a brief
19 presentation now by Ms. Bos on behalf of the
20 Public Adviser's office.

21 That will then be followed by
22 presentations by the applicant who will describe
23 its project and explain its plans for developing
24 the project at its site.

25 And then the Commission's Staff will

1 make a presentation with respect to the
2 Commission's overall licensing process, some of
3 which I've described to you, as well as its role
4 as an independent and professional technical
5 evaluator of the proposed project.

6 At the conclusion of that, we are going
7 to throw the meeting open to any questions or
8 comments, which you, as members of the public, may
9 have, and you may address them either to the
10 applicant or to Commission Staff or to us. And we
11 will do our best to answer them. So with that
12 response, why don't you go ahead.

13 MS. BOS: Thank you, Mr. Shean; thank
14 you, Commissioner Keese and Commissioner Pernell.

15 I'm going to make this short because I
16 know that some of the people here have listened to
17 this presentation several times, so I am going to
18 be very brief.

19 I do have some overheads, if you could
20 put those in. I just wanted to say that the
21 Public Adviser is here; if anyone wants to
22 intervene in the process, we will help them how to
23 participate in the proceedings.

24 We are not here to advocate on anyone's
25 behalf, but we can help with docketing paperwork.

1 We can help you -- actually, our Public Adviser,
2 who is an attorney, can actually help you how to
3 structure your paperwork.

4 I also want to thank Mr. Hanks here for
5 distributing the flyers I put together in English
6 and Spanish to the schools. I really appreciate
7 that. Thank you very much.

8 We've also done flyers in The Imperial
9 Valley News. And let me just ask a quick question
10 here.

11 (Thereupon a short discussion was held
12 off the record.)

13 MS. BOS: Mr. Shean already gave you our
14 website. But what I thought I would like to tell
15 you is the first thing that a Public Adviser's
16 office does, is we do what we call scoping. And
17 we just make really sure that the application for
18 certification goes to the various libraries.

19 So if we can go to the next slide, it
20 will tell you where the application can be found.
21 And so we did send it to the El Centro Public
22 Library, and to the Calipatria Branch Library. So
23 those, you could look up the application there.

24 And then, of course, the library in
25 Sacramento as well.

1 The website, that would be the next
2 slide, would be the website. And we have a docket
3 unit, so if you want to make some public comment,
4 you could do so. And you could always fax it to
5 me, or you could call, or you could, you know,
6 make public comment. There's some sheets back
7 there. And we will make sure to docket it, and
8 that the Commissioners take a look at it.

9 All our meetings, as Mr. Garret said,
10 are publicly noticed, and the public is welcome to
11 discuss any issues. I must say however, if you're
12 an intervenor like some of the people on the other
13 side of the table, it has more weight.

14 If you are a member of the public, of
15 course you're going to be listened to and we will
16 docket your documents. But if you are an
17 intervenor, then you have all the rights that
18 anyone else does. You can cross-examine
19 witnesses. You can bring your own witnesses in.
20 But it's a lot of work, and a lot of paperwork.
21 And a lot of docketing materials.

22 The question often comes up, is when is
23 a good time to intervene. The time is -- this is
24 about the time when you would intervene, after
25 we've had the site visit and the hearing, as we

1 have today. That's the time to intervene.

2 And like I said, you can be an informal
3 party or you can be a formal party.

4 I have left in the front on the table,
5 as well, any of you who are interested in becoming
6 intervenors, I do have a packet, and it's very
7 very simple. Some forms to fill out. And you
8 could pick up one, or I could send you a whole
9 packet, whichever is best.

10 I am not going to go into a lot of
11 details, to save time tonight. But, I'm here this
12 whole evening. If you have questions for me, I'll
13 be glad to answer them. I'll be glad to talk to
14 you about the proceedings.

15 And, again, we have an 800 number, (800)
16 822-6228, and I'll be glad to answer any
17 questions. Thank you.

18 HEARING OFFICER SHEAN: Thank you,
19 Grace. Let me just indicate, since I am a lawyer,
20 we try not to have the lawyers rule, so don't get
21 scared off by the idea that intervening and cross-
22 examining and everything else like that.

23 Ultimately, if you feel you have
24 something to say, and you come to the Commission
25 Committee, you will be heard, and we will take

1 into account what you have to say. But if you
2 feel you want to elevate your level of
3 participation to becoming a party, then please do
4 so.

5 You will have, while this is a good
6 opportunity to consider doing so, you will have
7 opportunities for the next several months to
8 immediately prior to the prehearing conference to
9 do so. So we are trying to make sure that you
10 have an adequate amount of time to decide whether
11 or not you want to go to that level of
12 participation.

13 PRESIDING MEMBER KEESE: And just before
14 we start the next part of this program, Mr. Shean
15 indicated to you that this is a 12-month process,
16 hearing process. That's the law. We are
17 obligated to make our decisions within 12 months.
18 Now, due to extenuating circumstances,
19 occasionally we don't. Generally that's revisions
20 in the project.

21 In order to get our average to 12
22 months, it is the intent of this Committee to
23 expedite as fast as possible. Take into
24 consideration we will take no shortcuts, we will
25 do everything; we will make every step along the

1 way.

2 But, we do hope that all the parties
3 will work with us in proceeding apace. And we
4 will assure you that Mr. Shean will work apace,
5 and the Committee will work apace. And we hope we
6 will be done in some period slightly shorter than
7 12 months.

8 HEARING OFFICER SHEAN: And if we can
9 get a pay raise, we would work even more apace.

10 (Thereupon a short discussion was held
11 off the record.)

12 HEARING OFFICER SHEAN: All right. With
13 that, let's go to the applicant then, and have its
14 presentation. Thank you.

15 MR. WEISGALL: Let me get started, if I
16 could. My name is, again, Jonathan Weisgall; I'm
17 the Vice President for CalENERGY for legislative
18 and regulatory affairs. I want to thank both
19 Commissioners Pernell and Keese, and staff and
20 advisors for coming down today.

21 For those who were on the tour this
22 afternoon, you saw and heard about cooling towers
23 and production wells, and pipes and valves and
24 even wellhead separators and standard pressure
25 crystallizers. Let me take you up to 30,000 feet

1 for a second, and then I'm going to turn it over
2 to Bernard Raemy and Vince Signorotti to talk
3 about specific details of the project.

4 Let me begin with a basic question. Why
5 would a company like ours be mobilizing to spend
6 \$460 million to build a power plant in California?
7 Where we are right now, in many ways, it's the
8 beginning of a process. This is also the
9 culmination of years of work to put together these
10 plans.

11 I can give you a lot of reasons why we
12 shouldn't be doing this. America's energy
13 industry is in huge trouble. Several utilities
14 have declared bankruptcy, others probably will in
15 the next couple of months, the Dow Jones Utility
16 Index is near a 14-year low, capital has fled this
17 industry. There is a severe lack of access to
18 capital markets.

19 The markets are currently charging 4
20 percent more for capital in the energy sector than
21 they were a year ago, in a period when interest
22 rates have actually gone down 2 percent. So
23 that's a swing of 6 percent in just one year.

24 And, as you know, the energy crisis in
25 the state is far from over, and there are many

1 power plants that have been announced that have
2 been canceled. Do these companies know something
3 that we don't know? So why spend \$460 million to
4 build a power plant? What's the impact, and why
5 do we want your support?

6 We want your support because it's a
7 geothermal power plant in Imperial County.
8 California is going to be needing a lot more
9 electricity and a lot of that is going to come
10 from renewable energy.

11 You heard from David Kelley, you heard
12 from Supervisor Wyatt. The state, of course, has
13 a long-standing policy of encouraging the
14 development of renewable energy, and recently
15 passed legislation, signed by the Governor, just
16 in September, is going to require that 20 percent
17 of the state's electricity come from renewable
18 resources by the year 2017.

19 We're at 12 percent now, and need to get
20 to 20 percent under the so-called Renewable
21 Portfolio Standard.

22 We've been through a very serious
23 electricity crisis in this state, as well. We're
24 still learning the causes. But let me suggest a
25 couple of lessons that have emerged.

1 Number one, there is a need to diversify
2 the energy resources, the sources for electricity
3 in the state. Don't put all your eggs in one
4 energy basket.

5 Second, there is a need to expand the
6 use of indigenous fuel sources, fuel sources from
7 California. Moving lots of natural gas into
8 California from out of state can be risky
9 business.

10 Number three, there is a need for long-
11 term price stability. We saw price spikes all
12 over the state, some areas worse than others.

13 This proposed plant is going to meet all
14 of those goals and more. It's a renewable plant,
15 which is good for the environment. But it's more
16 than that. It uses fuel sources right under our
17 feet, and that contributes to energy security in
18 this state and throughout the country.

19 It's going to diversify the fuel
20 resources for California; and it does provide
21 long-term price stability. That's an important
22 point. The fuel for this power plant comes from
23 mother nature. It's not traded on the New York
24 Commodity Exchange.

25 And because of that, we can plan our

1 costs. You heard on the tour today, we've got to
2 plan, there is a lot of operation and maintenance,
3 there is a lot of maintenance on these highly
4 corrosive wells, but the fuel comes from mother
5 nature. There are not price spikes on geothermal
6 electricity, on geothermal fuel, like there is for
7 natural gas. That lets us offer long term,
8 stable, fair contracts. And, and this is the
9 kicker, renewable energy plants provide jobs, and
10 lots of them.

11 One study, I believe it was done by
12 CalPERG, that came out this past summer, shows
13 that renewable energy plants create four times the
14 number of jobs in construction, operation, and
15 maintenance, as traditional fossil fuel plants.

16 So, we want your support for the
17 following reasons: Number one, California
18 consumers want green energy.

19 Number two, the geothermal resource that
20 you've seen today in this reservoir in Imperial
21 County is one of the most prolific in the entire
22 world. And we have tapped less than half of it,
23 even with this new plant.

24 Number three, this is renewable energy.
25 That means no price volatility; that means we're

1 not relying on importing resources into the state;
2 we're not depleting the natural resources that
3 exist in the state; we're not piping anything in
4 from out of state.

5 Number four, what you've seen today is a
6 proven technology. You saw one plant that was
7 constructed in 1988, and it's been functioning
8 ever since. We've been here operating for 20
9 years. This proposed plant will have the benefit
10 of 20 years of local research and development and
11 demonstrated reliability.

12 Number five, jobs. We're bringing jobs
13 to Imperial County to build the plant and to
14 operate them, and a significant multiple of jobs
15 that would otherwise be required to operate a
16 similar size fossil fuel plant. I won't repeat
17 the statistics you heard, but add to that the high
18 unemployment and low per capita income in this
19 state.

20 And number six, we're doing all of this
21 through hot water and steam. We're not burning
22 fossil fuels that create NOx and SOx and other
23 harmful pollutants.

24 At CalENERGY we're very excited about
25 this project. It's going to be the single largest

1 renewable energy plant ever built in the United
2 States, and I would say it's going to be a triple-
3 whammy for California:

4 Reduce the state's energy dependance.
5 Number two, clean up the air. Number three, spur
6 economic growth with new investment and new jobs
7 here in Imperial County.

8 Thank you very much.

9 PRESIDING MEMBER KEESE: Thank you.

10 HEARING OFFICER SHEAN: Thank you.

11 COMMISSIONER PERNELL: Thank you.

12 MR. WEISGALL: And let me now introduce
13 Bernard Raemy, the Project Manager.

14 MR. RAEMY: Thank you very much, John.
15 Members of the Committee, members of the staff,
16 members of the public, good afternoon, again.
17 Very glad to be with you this afternoon and have
18 the opportunity to share a couple of thoughts
19 about what is it that we are presenting to you
20 today.

21 I'd like to touch maybe on the
22 technology, touch on some of the environmental
23 aspects and touch on some of the economic aspects
24 of this project.

25 (Thereupon a short discussion was held

1 off the record.)

2 MR. RAEMY: Well, for Salton Sea Unit 6,
3 we are going to rely on knowledge from the
4 drilling industry to go look for the energy that
5 John was talking about, which is virtually in the
6 ground.

7 We are going to bring it to the surface.
8 And then we are going to transform that fluid in a
9 manner that would make it suitable for use in
10 power generation type of technology. This
11 transformation is going to rely on industrial
12 processes.

13 The energy is now going to be
14 transformed from a thermal form, into a mechanical
15 form, into an electrical form, into the power
16 generation facility of the plant to be distributed
17 locally to local users.

18 We are going to distribute electricity,
19 as opposed to steam or thermal heat, directly
20 simply because it's easier for the consumer to
21 utilize, and also it's going to be more efficient
22 to distribute. And you will see that efficiency
23 is an item that will come back throughout the
24 discussion about Salton Sea Unit 6.

25 We are going to, at the end of the

1 process, return the fluid back to the resource,
2 in the injection area of the resource. This fluid
3 that is returned to the resource will take about
4 seven to ten years to come back to the production
5 area where it can again be utilized for yet
6 another set of generation of electricity.

7 This is again efficient. This is the
8 renewable aspect of the power project. So we have
9 the marriage of those various technology,
10 drilling, you know, power generation and brine
11 processing that will make it very very attractive,
12 and it's renewable on top of that.

13 The plant is 185 megawatt net. It's
14 going to be a 200 megawatt gross unit. It's going
15 to be the newest and the largest geothermal
16 facility in the state and in the country.

17 The benefits associated with the unit
18 are going to be the high reliability and again,
19 efficiencies. That word, again. Efficiencies can
20 be defined in many many terms. We look at it, for
21 instance, in terms of water consumption. We are
22 going to see that our proposed facilities shows
23 now that we plan on using about 293 acrefeet of
24 water per year.

25 When compared to a standard combined

1 cycle plant, this is an improvement of about 92
2 percent. The nature of the geothermal process
3 itself will result, if we look at for instance,
4 combustion of fossil fuel, which are not existing
5 with our geothermal process, will result in the
6 SOx and NOx emissions that would normally be
7 associated with its combustion, simply not to be
8 there.

9 If we look at VOC, CO2 or PM10
10 emissions, we will see reductions of 87, 78, and
11 61 percent, respectively. All these benefits we
12 don't necessarily have to work very hard to
13 achieve them; they are associated with the
14 geothermal process itself.

15 Where we will work very hard is to
16 adapting yet abatement technologies to even make
17 our process more responsible from an environmental
18 standpoint.

19 So we've got all these technologies,
20 we've got all these environmental benefits that
21 result in geothermal generation.

22 And that leads me to my third point,
23 which is the economics associated with the
24 project. The nature of geothermal requires that
25 we have a lot of equipment that needs to be

1 installed up front. So there is a very large
2 capital investment. It's a capital intensive
3 project.

4 Well, some people like to say that the
5 fuel is free, in fact it's not free. We all know
6 nothing is free. We will pay for that fuel
7 through operation and maintenance, 69 jobs that
8 will be required to operate this facility. If you
9 compare again to a standard combined cycle plant
10 we're talking about, let's take a 600 megawatt
11 unit, maybe 20 jobs. That would be six for 200
12 megawatt. We'll have 69. We have ten times more
13 people in that simple comparison. We believe that
14 the fact that it is very capital intensive, needs
15 to be situated in a longer term.

16 If we think long term, we can justify a
17 geothermal project, a geothermal project like
18 this. If we think short term, we cannot justify
19 it.

20 We are lucky to have IID as a neighbor,
21 and have IID as a client with their power purchase
22 agreement for 20 years of the output of this
23 facility. I believe IID has been successful in
24 negotiating the terms in 2000 and 2001. And I
25 believe that they are equipping themselves yet

1 with an additional tool in their portfolio to yet
2 negotiate potential future turmoils.

3 I certainly believe that the work that
4 you are doing at the Commission will avoid future
5 turmoil, and I hope that, you know, I would be
6 proven right in the future. However, I hope that
7 others will adopt the same vis-a-vis the same
8 mentality and utilize geothermal energy in their
9 portfolio.

10 So that is basically the comment that I
11 wanted to make. I thank you very much for your
12 attention. And, Commissioner Keese, when you
13 mention the process and moving forward with it, we
14 want to reiterate the fact that we, the applicant,
15 will do everything we can to make sure that the
16 process moves forward as efficiently again as it
17 can.

18 And I would like to introduce Vince
19 Signorotti, who will share a couple of thoughts
20 about what we're doing at the geothermal
21 facilities here, and how it impacts the local
22 community.

23 Thank you very much.

24 PRESIDING MEMBER KEESE: Thank you very
25 much.

1 COMMISSIONER PERNELL: Thank you.

2 PRESIDING MEMBER KEESE: And we're going
3 to move when you're going to show slides, so give
4 me a signal.

5 MR. SIGNOROTTI: No slides.

6 PRESIDING MEMBER KEESE: Oh, all right.

7 MR. SIGNOROTTI: Good evening, thank you
8 for coming down. I hope that the site visit this
9 afternoon was informative and instructive. And
10 we're certainly glad to have you down here.

11 Before I talk about our role in the
12 community, what I would like to do, for purposes
13 of offering a little perspective to this proposed
14 plant, is to roll back the clock a little bit.
15 Some of the previous speakers have taken you down
16 memory lane a little bit, talking about some of
17 the early development.

18 What I would like to just offer is that
19 45 years ago, the fall of 1957, the Kent Imperial
20 Company came to the Imperial Valley and started
21 drilling a well about eight miles northwest of us.
22 It was a well that was permitted as a oil or gas
23 well.

24 That well was drilled to about 3000
25 feet, and they didn't find oil and they didn't

1 find gas; but what the did encounter was a vast
2 subterranean reservoir of geothermal fluid. And
3 it was the discovery well for the Salton Sea field
4 that prompted additional development.

5 Additional companies came to the
6 Imperial Valley at that time and pursued the
7 development of this geothermal resource.

8 Those efforts were largely abandoned by
9 the mid '60s. The technology simply didn't exist
10 to harness this vast reservoir of subterranean
11 brine.

12 In the 1970s, following the first of two
13 oil embargoes, there was a renewed interest in the
14 development of geothermal energy in the Imperial
15 Valley. And in the late '70s, in the late 1970s,
16 Union Oil Company and Southern California Edison
17 collectively began the development of what is now
18 Salton Sea Unit 1, the 10 megawatt plant that has
19 operated very efficiently for 20 years.

20 Following the development of that
21 technology, the crystallizer reactor clarifier
22 technology, the development of the Salton Sea
23 continued in logical systematic steps, with
24 additional plants, larger plants, improvements to
25 the technology, which takes us to where we are

1 today, the proposed Salton Sea Unit 6, 185
2 megawatts, almost four times larger than anything
3 that we've done at the Salton Sea this far.

4 But, I would like to emphasize that it
5 is a logical development that has occurred over
6 this period of time. With respect to our role in
7 the community, it's already been discussed to some
8 degree. We have 295 employees in the existing
9 project, which makes us one of the largest private
10 employers in Imperial County.

11 The payroll for those employees exceeds
12 \$10 million, including benefits. Those are
13 dollars that stay here in Imperial County. They
14 roll over within the community. The property
15 taxes that we currently pay exceed \$11 million.
16 The construction of Salton Sea Unit 6 will add to
17 that property tax base, and I would point out that
18 those property taxes are primarily used to support
19 the schools, and in this case, the Calipatria
20 Unified School District.

21 Over 60 percent of the property taxes
22 that we pay directly benefit the Calipatria
23 Unified School District directly. That, too, will
24 increase with the development of the Salton Sea
25 Unit 6.

1 And finally, I would like to point out
2 that in addition to the property taxes and the
3 salaries that we pay, we spend in excess of
4 \$100,000 a day with local vendors, service
5 companies, for goods and services that are used to
6 support the existing project. Those are dollars
7 that stay in this community. That number, too,
8 will increase.

9 In sum, this proposed project will do
10 everything to enhance the economic benefits that
11 already exist with the Salton Sea project, as it
12 stands today. And we certainly hope that you will
13 view this project favorably and ultimately issue
14 the permit that we need to move forward with the
15 construction.

16 Thank you.

17 COMMISSIONER PERNELL: Thank you.

18 HEARING OFFICER SHEAN: Thank you. Is
19 there any other presentation by the applicant?

20 MR. CARROLL: That concludes the
21 applicant's presentation. Thank you.

22 HEARING OFFICER SHEAN: All right, thank
23 you. We'll go to the Commission Staff.

24 MR. WORL: I've got an able-bodied
25 assistant here; Kevin is going to help me with

1 some overheads. If any of you have saved your
2 earplugs from the site visit, now might be the
3 time to utilize them.

4 (Laughter.)

5 MR. WORL: What I'm going to do is in a
6 relatively quick fashion try and go through the
7 siting process. And while some of this may not be
8 quite as exciting as the previous presentations,
9 it may prove important to you. So, we'll do it
10 anyway.

11 My name is Robert Worl; I'm the Project
12 Manager for this particular project. And I'd also
13 like to introduce two other people that came in
14 late, Eric Knight, visual resources; Connie
15 Bruins, who will be dealing with compliance
16 aspects. And I believe there's a third person,
17 Dale Edwards, who is a senior for several areas.

18 Number two, okay. The principle purpose
19 for the siting process is to insure that a
20 reliable supply of electrical energy is maintained
21 at a level consistent with the need for such
22 energy, for protection of health, safety, for the
23 promotion of general welfare and for environmental
24 quality protection. And this comes from the
25 Energy Commission's charter, the Warren-Alquist

1 Act.

2 The Energy Commission has permitting
3 authority over thermal power plants that are 50
4 megawatts or greater, and all related facilities,
5 including electric transmission lines, water
6 supply systems, in most cases natural gas
7 pipelines, waste disposal facilities and access
8 roads.

9 We are also the lead agency under the
10 California Environmental Quality Act. And we have
11 a three-step process. The initial part of the
12 process is evaluate the application that is
13 brought to us for data adequacy to insure that
14 they have covered the necessary information in 23
15 different resource areas.

16 After data adequacy, the staff goes
17 through a discovery and analysis process, which is
18 initiated with data requests, some of which have
19 already gone out. Workshops with the applicant
20 and the public invited, on specific resource
21 areas. And we will then develop the staff
22 assessment, a preliminary staff assessment and a
23 final staff assessment. All of which will be
24 workshopped, and you will all be invited to
25 attend.

1 The third part of the process is the
2 evidentiary hearings and decision, which is
3 conducted by the Hearing Officer and the
4 Commissioners.

5 That process involves the Committee
6 holding evidentiary hearings, producing a proposed
7 decision. The PMPD stands for Presiding Member's
8 Proposed Decision. And that proposed decision
9 then goes before the full Commission, five
10 Commissioners, to vote up or down.

11 Geothermal permitting has a few wrinkles
12 that are not normally part of the process. The
13 first part is that the applicant may be exempt
14 from a lengthy notice of intention process which
15 can take up to nine months preceding an
16 application for certification, upon demonstration
17 that commercial quantities of geothermal resource
18 are available. And the geothermal resource
19 efficiency hearing will follow this informational
20 hearing for the purpose of determining
21 availability of sufficient geothermal resources
22 for this particular project.

23 Geothermal projects have other unique
24 provisions. And one of them is that, this
25 explains where they're defined, but also indicates

1 that the resource transmission lines, wells, and
2 other related facilities, which would include well
3 pads, are not, quote, "appurtenant facilities"
4 for the purposes of our permitting process.

5 The Energy Commission does not have
6 permitting jurisdiction over these. However, we
7 do do the environmental review. We include the
8 environmental evaluation of these in our process.

9 The Commission Staff will still do the
10 assessment, evaluation of impacts, suggest
11 mitigation for construction and operation of these
12 facilities, wells, pads and brine pipelines. But
13 the permitting of the wells is the jurisdiction of
14 the Department of Conservation, Division of Oil
15 and Gas and Geothermal Resources.

16 The permitting of the brine pipelines
17 and the well pads is the jurisdiction of Imperial
18 County. In our discussions with the Department of
19 Oil and Gas and Geothermal Resources, and with
20 Imperial County, their intent is to use our final
21 staff assessment document as their environmental
22 analysis document for permitting actions.

23 All the remaining aspects of the AFC, or
24 application for certification process, follows the
25 standard Energy Commission procedures.

1 This is simply a graphic that explains
2 that the CEC Staff independently evaluates 23
3 separate resource areas. We take information not
4 only from our own staff's analysis, from the
5 applicant, from local, state and federal agencies,
6 from intervenors, and from the public.

7 And you can also note up there that the
8 Public Adviser office is available to assist any
9 member of the public or anyone who wishes to
10 either intervene officially or to participate in
11 the process, either through hearings or letters,
12 phone calls, whatever means you would like to
13 entail -- avail yourself of, excuse me.

14 The evidentiary hearing and decision
15 process involves all of the above that we've just
16 talked about, funneled through the Committee,
17 which in this case is Commissioner Keese and
18 Commissioner Pernell, assisted by the Hearing
19 Officer, Garret Shean, in this case.

20 And all of the information that has come
21 before us, and all of the information that's
22 provided to them, and in their proposed decision
23 document, which again is reached independently,
24 using information from all of these sources, again
25 is open to participation by intervenors and the

1 public.

2 And the proposed decision will also have
3 a workshop to take testimony and to review. And
4 that then goes to the full Commission for a final
5 decision.

6 Now our staff acts independently to
7 perform a professional analysis of the information
8 in the AFC, and to verify, when necessary, and to
9 work with other agencies in that process. It's
10 done to determine if the proposed project complies
11 with all laws, ordinance, regulations and
12 standards, often referred to as LORS.

13 We conduct an environmental, or an
14 engineering and environmental analysis, identify
15 issues, evaluate alternatives, identify mitigation
16 measures for anything that would have an impact.
17 And then recommend conditions of certification.

18 To facilitate public and agency
19 participation the staff products are a preliminary
20 and a final staff assessment and that then we also
21 make recommendations to the Committee for their
22 consideration.

23 Local, state and federal agency
24 coordination is integral in the process and very
25 important. We work closely with the state, local,

1 and federal agencies. In this case, Imperial
2 County Planning and Building Department, Imperial
3 County Air Quality Management District, and
4 Imperial Irrigation District, who is both customer
5 and also the owner and operator of the
6 transmission system that will receive the power.

7 The state agencies, including the
8 California Air Resources Board, and Department for
9 Conservation, Oil, Gas and Geothermal Resources,
10 and the California Department of Fish and Game.

11 In terms of this project, the federal
12 agencies that are particularly involved are the
13 Corps of Engineers, the Bureau of Land Management,
14 and the U.S. Fish and Wildlife Service.

15 After the final staff assessment, the
16 Committee issues a Presiding Member's Proposed
17 Decision. And this contains findings that are
18 related to the environmental impacts, public
19 health, engineering, project compliance with LORS,
20 there's that word again, laws, ordinances,
21 regulations and systems, recommends conditions of
22 certification, recommends whether or not to
23 approve the project, and then the full Commission
24 makes the decision.

25 The California Energy Commission

1 monitors compliance with all conditions of
2 certification for the life of the project. It
3 goes through construction, operation, and on
4 through to eventual closure of the facility.

5 I think that Grace went over this, I
6 know that everybody is concerned about time, but I
7 threw this in, not knowing what all was going to
8 be talked about earlier. This just verifies again
9 that we do try to get the information out to the
10 public and to the agencies.

11 Again, ways that you can participate:
12 submit written comments or statements to the
13 Commission; provide oral comments at public
14 meetings; become a formal intervenor; and, again,
15 contacting the Public Adviser; and provide written
16 comments on the proposed staff assessment and also
17 on the Presiding Member's Proposed Decision.

18 Contacts for this particular project are
19 again, myself, Robert Worl; Mr. Garret Shean, the
20 Commission's Hearing Officer; and the Public
21 Adviser's office, Roberta Mendonca. And this
22 information is all available on our website. It's
23 also contained on the handout that you had. And
24 if there are other questions, please feel free to
25 call me at any time.

1 The staff has issued an issue
2 identification report. And the purpose of this is
3 to inform the participants of potential issues;
4 provide an early focus for the work of the
5 Commission, and for the efforts of the applicant;
6 and also to highlight things for the public; and,
7 of course, for any intervenors.

8 The criteria are impacts that may be
9 difficult to mitigate, noncompliance problems with
10 LORS, potentially contentious issues, and things
11 that may impact the schedule of the project.

12 To date, we have identified some issues
13 in air quality, and in traffic and transportation.
14 And go ahead and switch the slide.

15 We feel that most of these are
16 relatively easy to respond to effectively in the
17 timeframe for the project. I've provided also a
18 list of milestones for the project. Data adequacy
19 through where we are currently right now, the
20 informational hearing and site visit.

21 Following this, sometime in early
22 December, we will have the data response and
23 issues resolution workshop. That will probably
24 also be down here and you will be notified and
25 certainly are invited to attend.

1 The Air Pollution Control District would
2 issue a preliminary determination of compliance
3 regarding air quality issues. And we would hope
4 that the federal, state, and local agencies would
5 file their preliminary determinations in regards
6 to the project by the end of January.

7 By the end of February, we would hope
8 that we would have a preliminary staff assessment
9 issued and we would then again hold another public
10 event, a preliminary staff assessment workshop.
11 Then, again in late February, we would anticipate
12 the Air Pollution Control District filing a
13 determination of compliance, the final
14 determination of compliance.

15 We would also, by that time, hopefully
16 have a biological opinion from the U.S. Fish and
17 Wildlife Service and have effective comments from
18 other state and federal agencies that need to make
19 final determinations regarding the Salton Sea
20 Project.

21 We would hope by the end of April to
22 have a final staff assessment issued at which
23 point in time the Committee then, as another
24 independent party to the process, would take over
25 and complete their work.

1 Staff believes that most of the issues
2 or all of the issues that we've currently
3 identified to the date are capable of a successful
4 resolution in a timely manner. This will require
5 aggressive effort on the part of the staff, the
6 applicant, and the agencies involved.

7 And if issues surface which
8 significantly delay achieving the proposed
9 timeline, the timeline will be adjusted
10 appropriately, assuming we can come to agreement
11 on that, between the Committee, the staff and the
12 applicant.

13 That pretty much concludes the process,
14 that's it in a nutshell. And I have provided a
15 number of handouts that have each of these
16 informational slides in it; also contains the
17 phone numbers and web addresses and email
18 addresses for some particular people.

19 Are there any questions? Thank you very
20 much.

21 HEARING OFFICER SHEAN: Stand fast
22 there, Mr. Worl, the Commissioner has a question.

23 COMMISSIONER PERNELL: I do have a
24 question.

25 (Laughter.)

1 PRESIDING MEMBER PERNELL: Sorry.

2 MR. WORL: Why did I know that?

3 COMMISSIONER PERNELL: Actually, it
4 concerns your timeline and you indicated that the
5 Commission doesn't have -- can everybody hear
6 me -- jurisdiction over certain geothermal, the
7 drilling of the wells, the pads, et cetera?

8 MR. WORL: That's correct.

9 COMMISSIONER PERNELL: In terms of
10 licensing?

11 MR. WORL: No, we do not permit those.

12 COMMISSIONER PERNELL: Right, and I
13 thought I heard you say that when the staff put
14 out its PSA, preliminary staff assessment, that
15 those jurisdictions were using that document to
16 assess the licensing of those other areas.

17 MR. WORL: That's correct, that's their
18 stated intent, and it's also something that
19 they're entitled to do, to use our final staff
20 assessment as a CEQA document.

21 COMMISSIONER PERNELL: Right. So my
22 question is, if I can remember your timeline,
23 sometime in February the staff assessment, the
24 preliminary staff assessment would come out. And
25 I think it was four days. My question is, do you

1 anticipate those jurisdictions to have an answer
2 back to the Committee in that length of time? I
3 didn't see anything in there for the other
4 jurisdictions, I guess.

5 MR. WORL: The Department of Oil and Gas
6 and Well Permitting, they've informed me that it
7 takes them approximately ten days to permit a
8 well.

9 The Imperial County is already
10 proceeding, and they have a great deal of
11 experience and history in permitting the other
12 pertinent facilities, the pipelines, the pads, and
13 let's see, what else do they get? They get the
14 well pads and the pipelines. And they're ready to
15 move ahead with that. And again they've indicated
16 they have long experience, and they've already
17 laid some of the preliminary groundwork with their
18 committees and commissions.

19 COMMISSIONER PERNELL: So that's built
20 into your timeline?

21 MR. WORL: Yes.

22 MR. KRAMER: To clarify, we weren't
23 necessarily assuming that they would have to take
24 their actions before --

25 MR. WORL: -- before the --

1 MR. KRAMER: -- the Commission took its
2 final action. They may or may not. But I don't
3 know that we were planning on taking a position
4 one way or another that they had to.

5 If that's a Committee concern, and you
6 want to telegraph that you want to wait, well,
7 certainly let us know.

8 COMMISSIONER PERNELL: Well, no. All
9 I'm saying is that we can't take -- I mean if we
10 look at the LORS, we have to know that they're
11 going to permit the drilling before we give a
12 final approval of the project, correct?

13 MR. KRAMER: Well, you could approve it
14 contingent upon that happening. In other words,
15 there is no project if there's no wells. That's
16 one way. Sometimes, the Commission approves
17 projects where a biological, a final biological
18 opinion hasn't been issued, but we know what it is
19 likely to say, and the Commission says as long as
20 it's what we understand it's going to be, the
21 project can go ahead, but --

22 COMMISSIONER PERNELL: Right, contingent
23 upon approval.

24
25 MR. WORL: Contingent upon, yeah.

1 MR. KRAMER: -- the Commission approval
2 comes first. Then nothing happens with the
3 project until the biological opinion comes out.
4 So you could use a contingency if you chose to.

5 MR. WORL: Also, in terms of the
6 permitting of the wells, the Department of Oil and
7 Gas, Geothermal Resources process, the permitting
8 of the wells is a sequential process. They would
9 permit the wells in sequence, shortly, but the
10 actual location and bottom hole locations,
11 sometimes, of the wells, would be determined or
12 would be, in part, influenced by previously
13 drilled wells. And so they don't permit all ten
14 wells or all however many wells all at once. They
15 will permit them sequentially as the applicant
16 moves forward and presents them with information
17 regarding the actual bottom hole locations,
18 depths, and whatnot.

19 COMMISSIONER PERNELL: Okay.

20 MR. KRAMER: So bottom line is, we --

21 COMMISSIONER PERNELL: So you don't
22 think that that would be an issue, I'm told that
23 that is not an issue, but this is my first
24 geothermal, so I'm asking questions.

25 MR. WORL: Yes, raise your hand if it's

1 your first.

2 PRESIDING MEMBER KEESE: Yes, I think,
3 as you know, Mr. Worl, when we started getting an
4 influx of siting cases and we're facing time
5 deadlines that place a lot of stress on other
6 agencies, often our process is delayed quite a bit
7 by other agencies.

8 We have been helped by the fact that the
9 Governor has issued an executive order to agencies
10 to meet our timelines, and that the President
11 issued an executive order to federal agencies to
12 try to meet our siting guidelines.

13 So, I'm sure we will be able to work
14 cooperatively and take into consideration a step
15 process such as you've described, which seems to
16 be a very appropriate way for the drilling of
17 wells.

18 MR. WORL: Yeah, setting a schedule
19 early in a process is, in some parts, is just
20 being compliant with our hoped-for timelines and
21 in part witchcraft. But certainly, the actions of
22 other agencies do influence our schedule. And by
23 no means was this schedule meant to be an
24 imposition on other agencies.

25 PRESIDING MEMBER KEESE: Thank you.

1 HEARING OFFICER SHEAN: All right, with
2 that, is there a presentation by CURE?

3 MR. JOSEPH: Nothing at this time, thank
4 you.

5 HEARING OFFICER SHEAN: Fine, thanks.
6 Is there any other agency who would like to make a
7 presentation here today?

8 MR. HANKS: Yes, sir.

9 HEARING OFFICER SHEAN: Yes, sir, if you
10 could just identify yourself for the record,
11 please.

12 MR. HANKS: Jim Hanks, Superintendent,
13 Calipatria Unified. I've been the Superintendent
14 of the District for 17 years. I'd be remiss if I
15 didn't share with this Committee the benefits that
16 geothermal has brought to our District up to this
17 point.

18 As Mr. Signorotti mentioned, of all the
19 property taxes collected, the school districts
20 benefit the most. We receive about 62 percent of
21 the local taxes. Geothermal in our district
22 equates to about 80 percent of our tax base.

23 I'd like to share with you, and as you
24 noticed the demolition that is taking place, this
25 is just an ongoing project that started in 1995

1 when the district passed the Geo Bond.

2 At that time we passed a full capacity
3 bond of 25 million. For a lot of districts, and a
4 lot of areas in the state, that may seem trivial
5 or minimal; however I'd like to make you aware
6 that the average assessed valuation of the homes
7 in our district is \$20,000.

8 So that gives you an indication of the
9 magnitude that geothermal plays in our district.
10 And I'd also like to add that there was no
11 challenge from geothermal to the passage of that
12 bond. Since that time, they have been partners
13 with us in the academic pursuit here. They have
14 contributed to scholarships; they also provide
15 financial aid to our vocational classes.

16 As a matter of fact, we attribute a lot
17 of our curriculum in our vocational classes
18 directly to the geothermal industry, as it
19 provides opportunities for our students.

20 The backbone of our community for years
21 has been agriculture. If the students were not
22 involved in agriculture, they had to leave the
23 area upon graduation. So, with the geothermal
24 industry, it gives us the opportunity for our
25 students to stay home, which is appreciated.

1 I'd also like to mention that 90 percent
2 of our general fund money is local taxes, 10
3 percent comes from the state in the form of state
4 aid. With the development of plant 6, we
5 anticipate moving toward basic aid. With the
6 additional income, we think it would be very
7 instrumental in helping a small rural isolated
8 area maintain competitive salary schedules and
9 reduce the high turnover rate in our teaching
10 staff.

11 One of the things that drives this
12 community, and for years, that they lacked was
13 hope. We have a lot of hope placed in the
14 geothermal industry, in that it will bring future
15 development into our area. I would like to add
16 what I think is probably one of the most
17 contributing factors, is because of the technology
18 of the area and the involvement of our students,
19 and the participation of geothermal in allowing
20 our students to visit the wells, the equipment and
21 the technology, I'm happy to be able here to brag
22 a little bit and say that Calipatria Unified
23 School District was the only Unified and Multi-
24 School District in Imperial County meeting the
25 academic performance standards, the targets that

1 was established by the state.

2 We see absolutely no reason from the
3 standpoint of the school, and I think I speak for
4 the community, for this project not to move
5 forward.

6 Thank you.

7 HEARING OFFICER SHEAN: Thank you.

8 PRESIDING MEMBER KEESE: Thank you.

9 HEARING OFFICER SHEAN: Do we have the
10 Imperial Irrigation District? Would you like to
11 make a presentation?

12 MR. JARAMILLO: Good afternoon, again.
13 Excuse my voice. On behalf of the Imperial
14 Irrigation District Board of Directors, and our
15 management, I am authorized to make a statement of
16 support for this geothermal project.

17 It is viewed as a win/win/win situation
18 for the community, for CalENERGY, for the IID.
19 IID's contracted to purchase the bulk of the power
20 that will be produced by the plant, and it will
21 actually dovetail very nicely with SB-1078 that's
22 going to take effect at the first of the year.

23 So we appreciate your efforts to be here
24 this evening, and we look forward to seeing you
25 again. Thank you.

1 HEARING OFFICER SHEAN: Thank you.

2 PRESIDING MEMBER PERNELL: Thank you.

3 HEARING OFFICER SHEAN: We have a couple
4 of blue cards here; why don't we go through these.
5 Mr. Frank Popejoy, please. Is he here? Why don't
6 you come up, sir.

7 MR. POPEJOY: Okay, thank you. I'm
8 Frank Popejoy, representing the El Centro Chamber
9 of Commerce and Visitors Bureau. And we are
10 totally in support of this project and have
11 followed it along the way.

12 And versus our Mexico counterpart that's
13 been brought up with the air quality problems we
14 are going to face, we need this project to
15 neutralize, if nothing else, to bring in clean
16 air. The renewable energy source that is in our
17 backyard and has been developed over a number of
18 years, now is going to be utilized within the
19 Imperial Valley, which is really really great.
20 And it also meets the state mandate which the IID
21 now uses hydro, coal and nuclear, where they buy
22 their power. Now the baseload will be more
23 localized here, and they can look as they renew
24 their hydro plants, look for the renewable energy
25 type situations here, to bring this Valley under

1 an air quality control that I'm afraid we're going
2 to be dealing with in the future here.

3 The jobs, short term, long term, mean a
4 lot. The tax base here that is going to be
5 created, of course, means a lot. So what we're
6 looking at is not only a solution to Imperial
7 County, Coachella Valley, but the State of
8 California.

9 So I think we need to recommend your
10 approval, of not only the project and the sites
11 here, but let's get going on it.

12 Thank you very much.

13 HEARING OFFICER SHEAN: Thank you very
14 much. All right. We have Nicole Nicholes Gilles
15 please, from the Brawley Chamber?

16 MS. NICHOLLES-GILLES: Mr. Chairman and
17 the Committee, thank you for allowing me the
18 opportunity to speak to you this afternoon. My
19 name is Nicole Nicholes-Gilles, and I am the
20 Executive Director of Brawley Chamber of Commerce.
21 And I am representing them today here to express
22 our support for the building and operation of a
23 185 megawatt geothermal energy facility by
24 CalENERGY.

25 In the State of California, the Imperial

1 County stands as having the highest unemployment
2 rate, over 22 percent. The prospect of 69 new
3 full-time jobs is paramount. Not to mention the
4 additional workforce of approximately 450 to 500
5 people needed during the proposed construction
6 phase of the project. This will obviously and
7 positively affect the local businesses and
8 suppliers within the Imperial County.

9 It's also been estimated that this
10 project will result in new annual property taxes
11 of approximately \$3 million. Three million
12 dollars is a very significant amount for the
13 Imperial County, considering the budget cutbacks
14 that we've recently seen in Sacramento.

15 This project is important to the
16 Imperial County and the entire State of
17 California, as it creates an environmentally
18 friendly and vital renewable energy source.

19 In these uncertain times, in the midst
20 of a water transfer that is bound to have
21 significant socioeconomic impacts in the Imperial
22 County, more jobs, more money coming into the
23 County, and an increase of green power in a state
24 that is trying to achieve its goal of 20 percent
25 of renewable energy by 2017, for the lack of

1 sounding repetitive, is a win/win situation.

2 Thank you very much.

3 PRESIDING MEMBER PERNELL: Thank you.

4 HEARING OFFICER SHEAN: Thank you very
5 much. And we have Tim Kelley from the Brawley
6 Economic Development Commission.

7 MR. KELLEY: Thank you Mr. Chairman, I
8 just wanted to touch on a couple things that were
9 mentioned earlier, and tell you some unique things
10 about the Imperial Valley.

11 First of all, I don't know if you
12 realize it, but here in Calipatria, we're 189 feet
13 below sea level, and that's something unique. We
14 also have the tallest flag pole in the western --
15 actually in the world, free-standing. And so as
16 you leave this building make sure you look at the
17 American Flag up there. It's something that this
18 community takes a lot of pride in.

19 We grow many winter crops here in the
20 Imperial Valley, while most of the rest of the
21 United States is getting ready to be shut down for
22 the wintertime. And so many of those crops are
23 grown here, lettuce, vegetables, et cetera. And
24 so we provide a lot of the food for the rest of
25 the United States at this time of the year.

1 In addition to that, one thing that's
2 very unique about the Imperial Valley that a lot
3 of people don't realize, is we are the only County
4 in California that borders not only another state,
5 but also a country. And that has some benefits,
6 but also has some negative things which were
7 discussed earlier.

8 CalENERGY has been a very good neighbor
9 in the Imperial Valley. As you can see by your
10 trip today, many birds living around that area.
11 Usually when I'm out there, there are a lot of
12 cattle in the fields, and I think the people from
13 the Fish and Game Department can tell you, that
14 CalENERGY over the years has been a very good
15 neighbor to them. And has been very open to the
16 community, allowing us to use their facilities,
17 and come in and use it for education, as Mr. Hanks
18 said earlier.

19 For our economy, they are one of our
20 largest employers, and we have the hope that this
21 will not be the first, that there will be second
22 and third plants in the future of this size.
23 California needs electricity. We can provide that
24 energy here in Imperial Valley, and for the state,
25 and also provide jobs for our community, and taxes

1 for a budget of California that needs them at this
2 time.

3 So as you can see, the Imperial Valley
4 is in favor of this project. The community of
5 Calipatria and the north end of the County is in
6 favor of it. And I think the rest of the State of
7 California is in need of it. So we appreciate
8 your help.

9 Thank you.

10 PRESIDING MEMBER PERNELL: Thank you.

11 HEARING OFFICER SHEAN: Thank you. All
12 right, Mr. Mike Evans.

13 MR. EVANS: Commissioner Keese,
14 Commissioner Pernell, Commission Staff, members of
15 the public, I wanted to state our support of the
16 use of geothermal resources for electric power
17 generation, and emphasize the important role
18 geothermal resources will play in meeting
19 California's renewable portfolio standards to
20 increase the use of renewables to 20 percent by
21 2017.

22 Just to put that in perspective, we need
23 in the state approximately 3400 megawatts of
24 geothermal facilities and 5000 megawatts of wind
25 resources in order to meet those goals. This

1 plant is a very important part of reaching those
2 goals. I encourage a proper and expedient review
3 of the project and approval of this important
4 generation project.

5 Thank you very much.

6 PRESIDING MEMBER PERNELL: Thank you.

7 HEARING OFFICER SHEAN: Thank you.

8 PRESIDING MEMBER KEESE: That's the end
9 of the blue cards. Is there any other agency or
10 member of the public who wishes to add anything at
11 this time?

12 Come forward please. That's right, over
13 here, and then introduce yourself.

14 MR. SMITH: Hi. My name is Greg Smith,
15 I'm the President of the Brawley Economic
16 Development Commission. I'd like to echo the
17 comments made a minute ago by our Executive
18 Director, Mr. Tim Kelley.

19 This project makes a lot of sense for
20 our community and for our state. It means new
21 jobs, new tax revenues, and a tremendous economic
22 impact over the life of the project. We're
23 talking about potentially \$100 million impact,
24 just from the tax revenues. And I strongly
25 recommend your support for this project and a

1 speedy review.

2 Thank you.

3 PRESIDING MEMBER PERNELL: Thank you.

4 PRESIDING MEMBER KEESE: Thank you.

5 You're going to get a speedy review. And we will
6 hear from applicant and staff and intervenors, I'm
7 sure, on all the aspects of this project. And
8 hopefully we'll find it a very good project and we
9 can go forward.

10 I will say one thing as we get started,
11 some people talked about old timers in the
12 geothermal industry. I am really very young, but
13 35 years ago I was involved in the initial
14 development of The Geysers in northern California,
15 when my organization bought out Union's interests,
16 Union Oil Company's interests in The Geysers to go
17 with theirs. And Union decided to move down here
18 and go forward.

19 So I spent five years working on the
20 original development when we didn't have a
21 Geothermal Licensing Act and had to place mineral
22 leases, oil and gas leases, buy the water rights,
23 buy the land rights, and buy the mercury rights,
24 so that we could start developing geothermal in
25 that area.

1 It is interesting to be back in the
2 business and to see what a functioning hot water,
3 hot brine geothermal is, versus the steam of The
4 Geysers.

5 Commissioner Pernell, any comments?

6 COMMISSIONER PERNELL: I would just like
7 to thank everyone for coming out and participating
8 in the process. I have to say that it is very
9 unusual for us to participate in a licensing of a
10 power plant when no one comes up and objects to
11 it.

12 So to have your community, to have your
13 elected officials and your various agencies, as
14 well as your superintendent of your schools saying
15 this is a good project, I think it's a plus for
16 the community. If nothing else, it shows that the
17 community has galvanized itself around an issue
18 and in this case, I think the issue is the project
19 before us.

20 Now that's not to say we are not going
21 through the process. We have to go through the
22 process. It has to prove itself. But from a
23 personal standpoint, this is a lot different than
24 some of the power plants that I have sat on the
25 Committee before.

1 So, I do want to thank the school and
2 the school district for allowing us to be here,
3 and for all of the participation that we have here
4 this evening.

5 Thank you.

6 MS. BOS: Commissioner, I just wanted to
7 say again, that sometimes in the meeting, if you
8 want to be noticed on the meetings, if you do not
9 sign the sheet, you may not get a notice. So,
10 please, if you want to have more notices on the
11 upcoming meetings, please sign in.

12 HEARING OFFICER SHEAN: Or,
13 alternatively, look at the agenda and sign up on
14 the computerized list server.

15 With that we're reaching a conclusion of
16 this portion of our informational hearing, and
17 unless there is further comment from any member of
18 our audience, we are going to change gears.

19 (Thereupon a short discussion was held
20 off the record.)

21 HEARING OFFICER SHEAN: Then we're going
22 to shift gears and go to our geothermal resource
23 availability hearing.

24 Under the law, for the applicant to
25 avoid a notice of intention proceeding, it must

1 make a showing that there is sufficient geothermal
2 resource to power the project for the life of the
3 project.

4 What I just want to indicate here, is
5 that the applicant has submitted the amended
6 declaration of Dennis Kaspereit, with regard to
7 geothermal resource availability.

8 Mr. Michael Woods, representing the
9 California Department of Conservation, Division of
10 Oil and Gas and Geothermal Resources has submitted
11 a statement.

12 And from our Energy Commission Staff,
13 Steve Baker has also submitted a statement with
14 regard to the geothermal resource availability.

15 I would just indicate for the record
16 that unanimously, all three of these declarations
17 indicate the belief of the professional who is
18 making them that there is sufficient supply of
19 commercial quantities of geothermal steam to power
20 Unit 6 for the life of the project.

21 What I want to do now is ask the parties
22 who are present if they have objection to
23 admission into the record of the declaration of
24 Mr. Kaspereit, of Michael Woods, and of Steve
25 Baker.

1 Seeing no objection either from Mr.
2 Carroll, Mr. Kramer, nor is the CURE
3 representative here, then we will admit those.

4 And let me just indicate that the
5 substance again of the testimony of these three
6 witnesses is that there is sufficient geothermal
7 resources to power unit number 6.

8 So based upon that, the Committee will
9 take the matter under submission. It is my
10 expectation that we will have an order from the
11 Committee in due course, which will indicate that,
12 for this proceeding, the project is exempt from
13 the notice of intent requirements based upon a
14 finding and conclusion that there is sufficient
15 geothermal resources to power this unit 6 for the
16 life of the project.

17 Is there a comment from any party?
18 Otherwise we will close this aspect of the
19 proceeding and adjourn for the day.

20 MR. WORL: Mr. Shean, I'd like to
21 introduce Mike Woods, with the Department of Oil
22 and Gas and Geothermal Resources.

23 HEARING OFFICER SHEAN: Mr. Woods, if
24 you like, we'd like you to just acknowledge your
25 presence, and thank you for having come. If you

1 have a brief remark, that would be fine.

2 MR. WOODS: Actually I really didn't
3 have any remarks to make, other than I was ready
4 to read the testimony if it was required. But
5 if --

6 HEARING OFFICER SHEAN: Well, I think
7 it's not necessary, but we appreciate your being
8 here and we appreciate your having cooperated with
9 the staff and having prepared and submitted your
10 statement.

11 It has been very helpful to us and it
12 gives us, in the record, the independent
13 evaluation that we were looking for, so thank you
14 very much.

15 MR. WOODS: You're welcome.

16 PRESIDING MEMBER KEESE: Look forward to
17 working with you.

18 PRESIDING MEMBER PERNELL: Thank you,
19 Mr. Woods.

20 HEARING OFFICER SHEAN: All right, with
21 that then, if there is no further business before
22 the Committee --

23 FROM THE AUDIENCE: Did you ask for
24 public testimony on that? I think you just said
25 the parties, but you probably meant the public.

1 HEARING OFFICER SHEAN: Is there any
2 comment from any party or member of the audience
3 with respect to this geothermal resource issue?

4 All right, hearing none, we are
5 adjourned then. Thank you.

6 (Whereupon, at 4:47 p.m., the hearing
7 was adjourned.

8 --o0o--

CERTIFICATE OF REPORTER

I, JAMES RAMOS, an Electronic Reporter,
do hereby certify that I am a disinterested person
herein; that I recorded the foregoing California
Energy Commission Hearing; that it was thereafter
transcribed into typewriting.

I further certify that I am not of
counsel or attorney for any of the parties to said
hearing, nor in any way interested in outcome of
said hearing.

IN WITNESS WHEREOF, I have hereunto set
my hand this 23rd day of December, 2002.

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